Impact of global economic slowdown on the Indian economy

480. SHRI TARIQ ANWAR: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that impact of global economic slowdown is seen in the Indian economy on different sectors;

(b) if so, the details thereof, sector-wise; and

(c) the steps Government is taking in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) and (b) The global economic slowdown has had an impact on the domestic economy resulting in moderation in the real growth in the Gross Domestic Product in 2008-09 to 7.1 percent from a level of 9 percent in 2007-08. During 2008-09, the Agriculture, Industry and Service sectors are estimated to grow at 2.6 percent, 4.8 percent and 9.6 percent respectively, as against the growth of 4.9 percent, 8.1 percent and 10.9 percent respectively in 2007-08.

(c) The Government and the RBI have acted to protect the economy from the adverse impact of global crisis. The government have taken various fiscal measures which include two packages on 7th December, 2008 and 2nd January, 2009 to stimulate the economy which *inter-alia*, include: reduction in Cenvat/Excise duty, measures to support exports, additional allocation for export incentive schemes, enhancement of duty drawback benefits on certain items, refinance facility for the National Housing Bank and enhancement of the loan limit under Credit Guarantee Scheme. The Reserve Bank of India have adopted measures like reduction in Cash Reserve Ratio, provision of Liquidity Adjustment Facility for banks, reduction in the Statutory Liquidity Ratio, significant reduction in key policy rates like the Repo and the Reverse Repo rate and dollar swap facility for banks.

Educomp under investigation

481. SHRI N.R. GOVINDARAJAR: Will the Minister of FINANCE be pleased to state:

(a) whether Government has seen Media report captioned "After Satyam, Educomp under scanner for fudging accounts";

(b) if so, the details thereof of fudging of accounts by promoters of Educomp;

(c) whether Securities and Exchange Board of India (SEBI) and RBI are investigating the financial irregularities and revenue evasions of Educomp; and

(d) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) to (b) Government is aware of Media report captioned "After Satyam, Educomp under scanner for fudging accounts" published in the daily newspaper 'The Pioneer' on January 20, 2009. The media report alleged irregularities in the financial statements of the company.

(c) and (d) SEBI is examining the matter with regard to dealings in the shares of Educomp Solutions Ltd. on the stock exchange. As far as RBI is concerned, it is not investigating the matter. Further, with regard to allegations pertaining to irregularities in the financial statements of the company, the matter has also been referred to Ministry of Corporate Affairs. On February 4, 2009 MCA has ordered inspection into the matter.

Non-filing of corporate governance report by listed companies

482. SHRI B.S. GNANADESIKAN: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that as many as 2634 listed companies have not filed their corporate governance report for the last year to India's stock exchanges;

(b) if so, whether Government has taken any action on these listed companies to prevent any incident of corporate scandal like Satyam Computer;

(c) if so, the details of action taken by Government in this regard; and

(d) the names of the companies which have failed to submit the mandatory governance reports to the exchanges for the last year?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) As per the last report submitted by Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) for the quarter ending September 30, 2008, 1122 companies on BSE and 86 companies on NSE have not submitted their reports.

(b) and (c) The revised corporate governance norms contained in clause 49 of the listing agreement were made applicable to the listed companies with effect from January 01, 2006. Subsequently, SEBI advised the Stock Exchanges to encourage/exhort the companies to ensure compliance with clause 49. In respect of the companies which have not submitted corporate governance report, exchanges write letters, followed by show cause notice leading to suspension of trading.

Further, to have a demonstrative effect, SEBI had initiated adjudication proceedings against a total of 20 companies for failure to comply with corporate governance norms in terms of clause 49 of the Listing Agreement. Amongst these 20 companies, Adjudication Orders have been passed in the case of 5 companies. In the case of the remaining 15 companies, the proceedings are in progress.

(d) 1208 companies (86 on NSE and 1122 on BSE) have not submitted their reports. A detailed list is given in the statement-I and II.

Statement-I

List of the companies listed in BSE who have not filed corporate governance report for quarter ended September 30, 2008

Sl.No.	Name of the company
1	2
1.	Aakar Engineering and Manufacturing Company Ltd.
2.	Aankit Granites Ltd.